Statement of Michael Kennedy

1. My name is Michael Kennedy and I was the Operations Manager at Up-To-Date Laundry from December 1999 until about August 2000. I have about seventeen years experience in the laundry business. Prior to joining Up-To-Date I worked at Medline Industries and I was sent to Baltimore on business and met Brad. After he met me, Brad sought me out to help run the plant and I signed a contract to come to work in Baltimore. Prior to working at Medline, I also worked at Angelica Textile Services for about seven years and managed a plant in Los Angeles that washed about 38 to 40 million pounds of laundry per year. By comparison, Up-To-Date washed about 26 million pounds of laundry per year. Before I started in the laundry business, I also served in the Army for about 15 years. I am currently employed with Crothall Services Company as a start up Manager for their new operations.

2. As Operations Manager, it was my responsibility to manage all aspects of the Up-To-Date Laundry operation. On regular basis, about one time per month, I also met with the company's advisory board to discuss ongoing issues at the plant. The Board consisted of Carroll Weyrich, George Miniodis and Alan Betten. Nancy Stair and Brad Minetree also attended these meetings and David Minetree attended from time to time.

3. When I first started at the plant, the operation was in trouble financially. Within a short period of time, I had helped to turn the operation around and had paid off the vendors and put a substantial amount of money in the bank. The company then purchased a new Lincoln Navigator for Brad and also a Dodge pickup for David. Based on my experience, Up-To-Date has a large share of the laundry market in the Baltimore region.

4. There was a high turnover of workers at Up-To-Date. Workers did not need any special skills and they were trained on the job. Laundry work is repetitive and it is not brain surgery.

5. After first joining Up-To-Date, I reviewed the company payroll and noticed that there were discrepancies in pay between black and hispanic workers. Many black workers were paid less than hispanic workers, although they were doing the same jobs. A few black workers were paid higher salaries and I later found out they were favorites of the owners. I took steps to equalize the starting wages for jobs and tried to pay the same wage for the same job. I also took steps to create a better hiring process, since there did not appear to be any procedures in place when I arrived at the company. I thought that this was important and told the managers that they had to take this step or it would cost us big and the company would be facing a legal mess down the road.

6. When I came to the company, I found that almost all of the workers in the soil room were black. Work in the soil room is dirty and can be nasty because workers are dealing with sorting dirty linens by hand.

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7. I also heard Nancy Stair, and Brad and David Minetree frequently use the word "nigger" at the workplace, referring to black Up-To-Date employees. Sometimes I heard even heard David use the word "nigger" on the plant floor in front of employees.

8. I learned that Brad and Dave and Nancy had personal sexual relationships with laundry employees. Nancy was involved with a lead washman, Frederico. Dave drove a cart around the plant and touched female workers. I repeatedly told Brad and Dave that they could not have sexual relationships with the workers. When I told this to Dave, he laughed and he demonstrated a "who cares" attitude.

9. Dave had a handgun at the plant that he kept out in the open on his credenza. Dave had supervisory responsibility over the drivers when I was there. Employees knew about it, including drivers, and so did supervisors. I saw two police officers handcuff Dave and put him in a patrol car after he had an argument at the plant with his mother. I believe that he was arrested.

I swear under penalty of perjury that this statement is true and correct to the best of my knowledge and ability.

Michael Kennedy

1/20/03
Date

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